admit this. In fact, I admitted it at the beginning of my remarks. The minister told us also that the provinces had already discussed proposals along these lines and that some of them appear to object in that they would not, of course, welcome interference by the federal government. This, too, I admit.

Nevertheless, I believe that if the minister would consider my suggestion carefully he would conclude that objections from the provinces would be unlikely. It is simply a question of the federal government incorporating in this banking legislation or in parallel legislation authorization which would enable the provinces to set up co-operative municipal banks. Those provinces which are not interested would simply leave this authority to one side. Others, where the municipalities were able to convince their legislatures of the usefulness of the measure, would be permitted to set up such a bank. Such an institution along the lines of the Crédit Communal de Belgique—here it could be called a municipal bank or something like that—would considerably lower the interest charges faced by the municipalities and help with their budget difficulties.

The minister told us in his answer that he knew there were some municipalities which face financial problems in connection with their capital projects. I have to tell him that more than 95 per cent of all the municipalities of Canada are faced with this difficulty. This is why I am less prone to apologize for my intervention now, even if I may seem to impose upon my colleagues in this chamber.

I happen to be familiar with this situation. All over this country there are friends of mine who are mayors and members of city councils. We have studied these problems for years and years and they are still begging me to be their spokesman in this house and to tell my colleagues that Canadian municipalities are really facing a difficult situation, one whose solution should be given a very high priority. I am not suggesting that the minister can deal with this matter this afternoon or this evening. But I am insisting that we should not now pass a law which would bind us in such a way that nothing can be done along the lines I have suggested for the next ten years.

The minister should consult with the authorized spokesmen of the municipalities, the Canadian Federation of Mayors and Reeves and the Union of Municipalities, in an effort to find a suitable formula. Let us take the time also to place a suitable provision in the bill and then advise the provinces that here is a solution which has been discussed. It would be natural for representatives of the provincial legislatures to attend these discussions also. Then those provinces which wish to take advantage of the new facilities would do so and the others would simply leave them aside. I think this would be an easy solution.

The minister said also that the government had done certain things which had achieved their purpose in the lessening of unemployment, for instance. I have to differ with him. I do not think there are many difficulties which have been settled once and for all. The measures he had in mind were piecemeal and though they helped considerably they were still piecemeal measures. There is no global legislation to ease the financial situation of the municipalities. This is a problem which should be given top priority, and drastic action is needed.

I am ready to co-operate with the minister in passing this legislation as quickly as possible as long as there is a guarantee that it will not bind the government for another ten years during which the municipalities will be told that under the present banking laws nothing can be done for them. It is essential that the door should be left open.

[*Translation*]

Mr. Grégoire: Mr. Chairman, the present Minister of Finance was quoting a while ago the speech delivered by the former minister of finance, the present Member of the Administration, the hon. member for Davenport (Mr. Gordon), on June 14, 1965, in which he was criticizing the Social Credit philosophy.

Mr. Chairman, in order to understand a little the circumstances in which that speech was delivered—at that time, the hon. minister was presenting a motion for second reading of Bill No. C-102, on banks and banking. We were discussing the motion for second reading of the bill and we know that, at that stage, each of the members may speak once but he cannot reply, let us say to the minister introducing the bill. Moreover, according to another section of the rules, whenever the member introducing a bill rises at a given moment to give an answer to those who asked questions, the debate is then automatically concluded.

Besides, when the former minister of finance, the present member for Davenport, delivered that speech—I regret his absence in the house at this time since I intend to